

2004 Legislative Update

From Rep. Barry Sehlin • 10th District

State Representative

Barry Sehlin

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Winter 2004

Dear Friends,

A 60-day legislative session is under way in Olympia, and our objectives are clear. We want to continue efforts to create an economic environment that is conducive to job growth and prosperity for Washington families.

Critical to that goal is ensuring we continue the sound fiscal policies that we supported last year. A responsible sustainable budget will help us avoid needless tax increases on working families and ensure that we sustain important services for those who truly need government assistance.

If we maintain fiscal discipline, I am optimistic about the opportunities this session to enhance job growth, protect taxpayers, achieve excellence in our schools, and improve access to affordable health care. These are clear but critical goals, and I welcome your ideas and comments as we work on these issues in the weeks ahead.

Sincerely

Barry Sehlin
State Representative



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Creating Jobs and Restoring Trust

The Legislature made important strides a year ago to help our state participate in the nation's economic recovery and improve our opportunity for job expansion. We have also sought to make government more accountable by forcing the state to live within its means and rebuilding trust with citizens who have lost faith in government's ability to respond to their needs.

It's important that we stay the course and resist pressure from special interests to spend beyond our means.

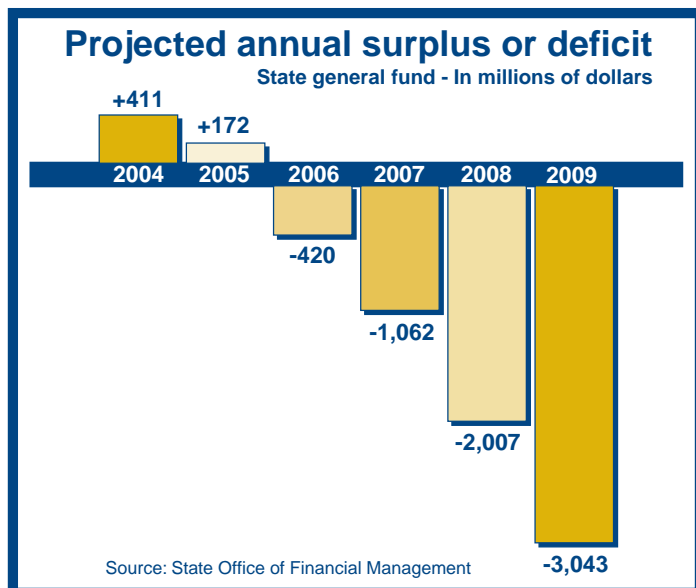
Fiscal responsibility

Lawmakers fought hard to create a balanced budget last year when we successfully closed a \$2.7 billion budget deficit without tax increases. With 18 months left in the state 2003-05 fiscal period, it's critical that we adhere to the balanced two-year operating budget adopted just last spring. To retreat from this fiscally responsible approach would risk a tax increase and deep cuts in essential services for people who truly need government assistance.

As indicated by the governor's new supplemental budget proposal released in December, there will be a great deal of pressure to spend beyond our means and put taxpayers at risk.

The governor's budget plan is a recipe for tax increases. It uses one-time revenues to pay for ongoing expenditures. This creates huge deficits in future years.

Here is the projected general fund balance over the next six years if the governor's budget is adopted:



2004: A supplemental budget

We are seven months into our state's two-year budget cycle. It's customary to make adjustments at this point to account for emergencies and caseload adjustments.

Here are some of the changes that will require additional expenditures:

Caseload forecast increases (Annual avg. change)

K-12 school enrollment	+3,052
Adult prison population	+664
Community Corrections	+6,990
General Assistance Unemployable (welfare) ..	+2,710

Any budget expenditures this year should be limited to necessary adjustments, such as school enrollment growth, and emergency needs so we maintain a responsible, sustainable budget that protects taxpayers.

Some budget facts:

- In 2003, lawmakers closed a \$2.7 billion state budget deficit without tax increases.
- The current budget provides reserves of \$488 million.
- The governor's proposed budget for 2004 would leave just \$172 million in reserves this biennium and would result in a \$1 billion deficit in the next biennium.



Rep. Barry Sehlin is the ranking Republican on the House Appropriations Committee and is the lead budget negotiator for House Republicans.